



Commonwealth of Massachusetts

DIVISION OF BANKS

One South Station, 3rd Floor

Boston, Massachusetts 02110

To the Contact Employee of the Institution Addressed:

The purpose of this email is to provide you with information and instruction regarding the **2009 Streamlined Renewal Process**, your **2008 Mortgage Lender and/or Mortgage Broker Annual Report**, and to reiterate the **regulatory changes that will become effective December 31, 2008**. This email will also be available on the Massachusetts Division of Banks' ("Division") website at www.mass.gov/dob, by clicking on 'Apply for or Amend a License' under 'Online Services,' and following the links.

2009 STREAMLINED RENEWAL PROCESS

Mortgage Lender, Mortgage Broker, and Mortgage Loan Originator licensees in Massachusetts are required to participate in the Streamlined Renewal Process through the Nationwide Mortgage Licensing System ("NMLS") in order to renew the applicable license(s) before the upcoming December 31, 2008 expiration date. In addition to completing the steps set forth in the online portion of the NMLS license renewal process, licensees are also required to submit additional documents by mail to the Division to complete renewal applications. **LICENSEES WHO SUBMIT APPLICATION MATERIALS AND/OR LICENSE FEES TO THE DIVISION AFTER THE DECEMBER 31, 2008 LICENSE EXPIRATION DATE WILL BE CONSIDERED AS NEW APPLICANTS.** Those failing to complete their application submission prior to December 31, 2008 will be required to pay an investigation fee of \$115.00 and to complete all of the documents required of new applicants. **Please be advised that companies and all licensed mortgage loan originators will be receiving a subsequent email from the Division which outlines the renewal process for individuals.**

Below are instructions on renewing your mortgage lender, mortgage broker, and branch license(s). Please review these instructions carefully.

1. ATTEST TO INFORMATION IN NMLS RECORDS

As part of the Streamlined Renewal Process, all licensed Mortgage Lenders and Mortgage Brokers must log into NMLS and attest that their records are accurate and current. Additional instruction regarding the renewal process in NMLS may be found on the NMLS website, or by clicking here: [NMLS 2009 Streamlined Renewal Process Instructions](#). *The Division recommends that all licensees review the detailed instructions in the link carefully.* If you are interested in additional training on the renewal process, the State Regulatory Registry LLC is sponsoring a web-based Renewals Training Workshop on Wednesday, November 12th. This Webinar will provide licensees with tips on how to use the NMLS during the 2009 Streamlined Renewal period. The fee for this workshop is \$50. You can register for this webinar through the NMLS website. For more information, please visit www.stateregulatoryregistry.org/NMLS, and click on the green NMLS Training Workshop box.

2. SUBMIT YOUR RENEWAL REQUEST THROUGH NMLS

Licensees who have kept their NMLS records up-to-date will be able to renew their license(s) in just a few easy steps. Renewal requests must be submitted to Massachusetts through the NMLS Streamlined Renewal Process between **November 1st** and **December 31st**. During this time, renewal fees must be paid through the NMLS. **If your company does not wish to renew its license or any of its branches or mortgage loan originators licenses, DO NOT submit a renewal request through NMLS, as these fees will not be refunded if you choose not to renew any of the licenses submitted. ALL FEES PAID THROUGH NMLS ARE NON-REFUNDABLE.** Additional instruction regarding the renewal process

in NMLS may be found on the NMLS website, or by clicking here: [NMLS 2009 Streamlined Renewal Process Instructions](#). *The Division recommends that all licensees review the detailed instructions in the link carefully.*

Renewal fees are as follows:

Mortgage Broker License Annual Fee: \$600
NMLS Annual Processing Fee: \$100
Mortgage Broker Branch License Annual Fee: \$50 per branch
NMLS Annual Branch Processing Fee: \$20 per branch

Mortgage Lender License Annual Fee: \$1,100
NMLS Annual Processing Fee: \$100
Mortgage Lender Branch License Annual Fee: \$50 per branch
NMLS Annual Branch Processing Fee: \$20 per branch

Mortgage Loan Originator License Annual Fee: \$500
NMLS Annual Processing Fee: \$30

3. COMPLETE AND MAIL CORI REQUEST FORMS TO THE DIVISION BY DECEMBER 1ST

On or before **December 1st**, licensees are required to **MAIL** to the Division executed [CORI Request Form\(s\)](#) for all individuals who have **an MU2 association with their entity**. This form, which is attached to this email, must be accompanied with a legible copy of a government issued photo identification for each individual. Please be advised that the earlier you send in the CORI Request Forms, the more expeditiously the Division will be able to process your renewal request. **DO NOT SEND IN CORI REQUEST FORMS IF YOU DO NOT INTEND TO RENEW YOUR COMPANY'S LICENSE.**

CORI Request Forms must be mailed to:

Massachusetts Division of Banks
ATTN: Mortgage Broker/Lender License Renewal Unit
One South Station, 3rd Floor
Boston, MA 02110

4. MISCELLANEOUS RENEWAL INFORMATION

- Failure to pay any outstanding fees, including license fees and examination/inspection fees, or late fees associated with annual report filings, may result in non-renewal of licenses.
- Corporations and Limited Liability Companies must provide a copy of the licensee's most recent MASSACHUSETTS CORPORATION ANNUAL REPORT (or LLC Annual Report) as submitted to the Office of the Secretary of the Commonwealth, not to be confused with the Division's Mortgage Lender/Mortgage Broker Annual Report. The Massachusetts Corporation Annual Report is not a requirement to renew your company's license(s) before December 31, 2008, however you will be required to submitted a copy of your company's Massachusetts Corporation Annual Report on or before **March 31, 2009**, as part of the Mortgage Lender/Mortgage Broker 2008 Annual Report Form (see below).
- Please be advised that licensees who elect not to renew their license(s) beyond December 31, 2008 are still required to submit to the Division a completed Mortgage Lender/Mortgage Broker 2008 Annual Report Form.

- If you have any questions regarding the 2009 Streamlined Renewal Process, please contact the Division at **617-956-1500, extension 351,** or by email at **DOBMortgageRenewal@state.ma.us**.
- For technical help regarding the renewal process through NMLS, please call the **NMLS Call Center at 240-386-4444.**

MORTGAGE LENDER/MORTGAGE BROKER 2008 ANNUAL REPORT FORM

Per the Division's amended regulation 209 CMR 42.10, Mortgage Lender and Mortgage Brokers licensees are required to submit Annual Report forms by **March 31st** of each year. The Mortgage Lender/Mortgage Broker 2008 Annual Report Form is not required to be submitted to the Division before December 31st in order to renew your company's licenses; however it must be submitted to the Division **between January 1st and March 31, 2009.**

After January 1, 2009, the Mortgage Lender/Mortgage Broker 2008 Annual Report Form will be available on the Division's website at www.mass.gov/dob, by clicking on 'Forms and Applications' under 'Industry Services', and following the links to the report form. This report must be **MAILED** to the Division by **March 31, 2009** at the address below:

Massachusetts Division of Banks
ATTN: Mortgage Lender/Broker Licensing Unit
One South Station, 3rd Floor
Boston, MA 02110

Please be advised that a \$50.00 per calendar day late fee will be assessed to all licensees that fail to submit the Mortgage Lender/Mortgage Broker 2008 Annual Report by March 31, 2009.

REGULATORY CHANGES THAT WILL BECOME EFFECTIVE DECEMBER 31, 2008

Since the third quarter of 2007, the Division has been notifying licensed mortgage lenders and mortgage brokers of changes that were made to the Division's regulations 209 CMR 42.03 and 209 CMR 42.06. These changes affect the net worth, surety bond, and financial reporting requirements for mortgage lenders and mortgage brokers. By December 31, 2008, all Mortgage Lender and Mortgage Broker licensees are required to establish compliance with the following:

1. MORTGAGE BROKER AND MORTGAGE LENDER NET WORTH REQUIREMENTS

- **Mortgage Brokers:** The Division's regulation 209 CMR 42.06(2)(a) requires mortgage brokers to maintain a net worth of not less than \$25,000. **MORTGAGE BROKERS SHOULD NOT SUBMIT A RENEWAL REQUEST TO MASSACHUSETTS THROUGH THE NMLS IN NOVEMBER OR DECEMBER 2008, IF THEY WILL NOT BE ABLE TO MEET THE NET WORTH REQUIREMENT BY DECEMBER 31ST.** Mortgage Brokers are required to submit reviewed or audited financials that reflect their net worth (see section 2 below).

- Mortgage Lenders: The Division's regulation 209 CMR 42.03(2)(a) requires mortgage lenders to maintain a net worth of not less than \$200,000. **MORTGAGE LENDERS SHOULD NOT SUBMIT A RENEWAL REQUEST TO MASSACHUSETTS THROUGH THE NMLS IN NOVEMBER OR DECEMBER 2008, IF THEY WILL NOT BE ABLE TO MEET THE NET WORTH REQUIREMENT BY DECEMBER 31ST.** Mortgage Lenders are required to submit audited financials that reflect their net worth (see section 2 below).

2. **AUDITED OR REVIEWED FINANCIAL STATEMENTS ARE REQUIRED TO BE SUBMITTED WITHIN 90 DAYS OF THE END OF THE LICENSEE'S FISCAL YEAR END**

- Mortgage Brokers: Within 90 days of the end of a licensee's fiscal year end, mortgage brokers must submit **AUDITED or REVIEWED** financial statements prepared by an independent Certified Public Accountant (CPA) in accordance with: (a) Generally Accepted Accounting Principles, and (b) in accordance with either Generally Accepted Auditing Standards (GAAS), or with the Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants (AICPA). Financial statements must include a Balance Sheet, Income Statement and Statement of Cash Flows and all relevant notes thereto. **MORTGAGE BROKERS SHOULD NOT SUBMIT A RENEWAL REQUEST TO MASSACHUSETTS THROUGH THE NMLS IN NOVEMBER OR DECEMBER 2008, IF THEY WILL BE UNABLE TO OBTAIN AUDITED OR REVIEWED FINANCIALS AS REQUIRED ABOVE.**
- Mortgage Lenders: Within 90 days of the end of a Licensee's fiscal year end, mortgage lenders must submit **AUDITED** financial statements prepared by an independent Certified Public Accountant (CPA) in accordance with Generally Accepted Accounting Principles, and in accordance with Generally Accepted Auditing Standards (GAAS). Financial statements must include a Balance Sheet, Income Statement and Statement of Cash Flows and all relevant notes thereto. **MORTGAGE LENDERS SHOULD NOT SUBMIT A RENEWAL REQUEST TO MASSACHUSETTS THROUGH THE NMLS IN NOVEMBER OR DECEMBER 2008, IF THEY WILL BE UNABLE TO OBTAIN AUDITED FINANCIALS AS REQUIRED ABOVE.**

3. **LICENSEES MUST HAVE EXECUTED SURETY BONDS IN PLACE BY DECEMBER 31, 2008**

- Mortgage Brokers: By December 31, 2008, the Division's regulation 209 CMR 42.06(2)(a) requires Mortgage Brokers to maintain a bond of \$75,000, using the MASSACHUSETTS MORTGAGE BROKER BOND FORM which may be found on the Division's web site at www.mass.gov/dob, by clicking on 'Forms and Applications' under 'Industry Services', and following the links.
 - Please note that Mortgage Brokers which also hold a Mortgage Lender license must also obtain a Mortgage Lender Bond.
 - **MORTGAGE BROKERS SHOULD NOT SUBMIT A RENEWAL REQUEST TO MASSACHUSETTS THROUGH THE NMLS IN NOVEMBER OR DECEMBER 2008, IF THEY WILL NOT BE ABLE TO SATIFY THE BOND REQUIREMENT BY DECEMBER 31ST.**
 - In early 2009, the Division will provide additional instruction on the procedures to be followed for filing the bond forms with the Division.
- Mortgage Lenders: By December 31, 2008, the Division's regulation 209 CMR 42.03(2)(a) requires Mortgage Lenders to maintain a bond in a sum between \$100,000 and \$500,000, such amount to be based on the aggregate annual dollar amount of Massachusetts mortgage loans closed by the licensee during the prior year. The MASSACHUSETTS MORTGAGE LENDER

BOND FORM may be found on the Division's web site at www.mass.gov/dob, by clicking on 'Forms and Applications' under 'Industry Services', and following the links.

- For additional instruction on calculating bond amounts, please see the Division's [Regulatory Bulletin 5.2-101](#).
- Please note that Mortgage Lenders which also hold a Mortgage Broker license must also obtain a Mortgage Broker Bond of \$75,000.
- **MORTGAGE LENDERS SHOULD NOT SUBMIT A RENEWAL REQUEST TO MASSACHUSETTS THROUGH THE NMLS IN NOVEMBER OR DECEMBER 2008, IF THEY WILL NOT BE ABLE TO SATIFY THE BOND REQUIREMENT BY DECEMBER 31ST.**
- In early 2009, the Division will provide additional instruction on the procedures to be followed for filing the bond forms with the Division.

If you have any questions regarding the 2009 Streamlined Renewal Process or other information outlined in this email, please contact the Division at **617-956-1500, extension 351**, or by email at **DOBMortgageRenewal@state.ma.us**.

Very truly yours,

Gregory E. Short

Gregory E. Short
Deputy Commissioner
Non-Depository Institution Supervision